

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7405

BILL NUMBER: HB 1381

NOTE PREPARED: Apr 2, 2021

BILL AMENDED: Apr 1, 2021

SUBJECT: Commercial Wind and Solar Standards and Siting.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR: Sen. Messmer

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) *Wind Standards and Siting*: The bill establishes default standards concerning the following with respect to developments to install or locate wind power devices in local units: (1) Setback requirements. (2) Height restrictions. (3) Shadow flicker limitations. (4) Signal interference. (5) Sound level limitations. (6) Wind turbine light mitigation technology. (7) Project decommissioning.

The bill provides that a unit that has in effect on July 1, 2021, a wind power regulation that includes standards that are more restrictive than the default wind standards set forth in the bill may: (1) continue to apply and enforce the unit's existing wind power regulation with respect to a proposed project; or (2) allow within the unit the establishment of a renewable energy district (RED) in which the proposed project will be located.

It provides that a unit that has not adopted a wind power regulation may: (1) restrict, or impose conditions or limitations on, wind projects in the unit if the unit first adopts a wind power regulation that includes standards that are not more restrictive than the bill's default standards; or (2) allow within the unit the establishment of a RED in which a proposed project will be located. The bill also provides that the bill's default standards for wind projects apply within the boundaries of a RED.

The bill provides that a unit that: (1) adopts a wind power regulation that complies with the bill's standards; or (2) allows the establishment of one or more REDs in the unit; may impose a one-time construction fee for each wind power device included in a wind project application submitted to the unit after June 30, 2021. It provides that such a construction fee: (1) is payable by the project owner upon the commencement of construction of each wind power device; and (2) may not exceed \$3,000 per megawatt of installed capacity.

The bill provides that a unit may limit the total acreage of land within the unit's boundaries that is or may be used for wind or commercial solar projects. It provides that any such limit imposed may not be less than 40% of the unit's total acreage.

Solar Standards and Siting: The bill establishes default standards concerning the following with respect to projects to install or locate commercial solar energy systems (CSE systems) in a unit: (1) Setback requirements. (2) Height restrictions. (3) Ground cover. (4) Fencing. (5) Cables. (6) Glare. (7) Signal interference. (8) Sound level limitations. (9) Project decommissioning.

It provides that a unit that has in effect on July 1, 2021, a commercial solar regulation that includes standards that are more restrictive than the default CSE system standards set forth in the bill may: (1) continue to apply and enforce the unit's existing commercial solar regulation with respect to a proposed project; or (2) allow within the unit the establishment of a renewable energy district (RED) in which the proposed project will be located.

It provides that a unit that has not adopted a commercial solar regulation may: (1) restrict, or impose conditions or limitations on, commercial solar projects in the unit if the unit first adopts a commercial solar regulation that includes standards that are not more restrictive than the bill's default standards; or (2) allow within the unit the establishment of a RED in which a proposed project will be located. The bill also provides that the bill's default standards for CSE systems apply within the boundaries of a RED.

It amends the home rule statute to provide that the following apply to a wind power regulation or a commercial solar regulation adopted by a unit after June 30, 2021: (1) The regulation must be approved by the unit's plan commission. (2) Any procedures set forth in the regulation with respect to the permitting or approval process for the siting or installation of wind power devices or CSE systems in the unit must comply with the procedural processes set forth in the bill. (3) Any standards included in the regulation must not be more restrictive than the default standards set forth in the bill.

Permitting Procedures: The bill establishes procedures for the permitting or approval process for the siting of wind power devices in a local unit. It sets forth various elements of the required procedures. The bill also establishes procedures for the permitting or approval process for the siting of CSE systems in a local unit. It sets forth various elements of the required procedures.

Complaint Procedures: It provides that: (A) a project owner; or (B) certain other interested parties; who are aggrieved by the decision of a unit's permit authority with respect to a proposed wind project or a proposed commercial solar project may file a complaint for appropriate relief in the circuit or superior court of a county having jurisdiction.

Effective Date: Upon passage; July 1, 2021.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The bill provides that certain interested parties may file a complaint for relief regarding a decision made by the unit's permit authority in the circuit or superior court of a county having jurisdiction. This complaint procedure could result in additional expenditures and workload for county courts, depending upon the volume and nature of complaints filed.

(Revised) The bill could increase administrative costs for local units to the extent that local units decide to alter local regulations or establish a renewable energy district (RED), as outlined in the bill. It is likely that local units could accomplish needed amendments within existing resources.

Additional Information - The bill defines unit depending on the location of the proposed wind or solar power project or development. Unit refers to a municipality if the proposed project or development is entirely within the boundaries of a single municipality. In the event that the proposed project or development is entirely in unincorporated areas, is in both unincorporated areas and a municipality, or is entirely within two or more municipalities, the county is considered to be the unit. If the proposed project or development spans multiple counties, unit refers to each county or each municipality (where each municipality is located in a different county), subject to the conditions described above.

Explanation of Local Revenues: (Revised) The bill allows a unit that meets certain conditions to impose a one-time construction fee for each wind power device included in a wind or solar project application filed after June 30, 2021, payable by the project owner. A construction fee may not exceed \$3,000 per megawatt of installed capacity, and the unit imposing the fee may allocate a percentage of the fee for the benefit of residents and businesses of, or for other use within, the project's footprint or within the RED, as applicable. This would have an indeterminable but potentially significant impact on revenues for local units, which will depend upon the amount of construction fees imposed and the megawatt capacity of planned installation.

(Revised) Additionally, a unit may allocate a percentage of the local property tax revenues or local income tax revenues that are generated by the wind or solar project for the benefit of residents and businesses of, or for other use within, the project's footprint or RED, as applicable. To the extent that counties or municipalities elect to allocate local tax revenues from the project using the mechanism outlined in the bill, there would be an indeterminable but potentially significant impact on local revenues.

State Agencies Affected:

Local Agencies Affected: Local units.

Information Sources:

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